

CIA's reply on Rewald's secret data is hush-hush, too

By Walter Wright
Advertiser Staff Writer

The Central Intelligence Agency told a federal judge yesterday why Ronald Rewald's company had classified documents in its files and why they should be kept secret.

But the CIA's affidavit to the judge was itself classified, and the information was conveyed behind closed doors, so little new light was shed on the CIA's connection with Rewald's defunct investment firm.

U. S. District Court Judge Martin Pence ordered that the CIA could review copies of the documents again so it can elaborate on its claim that they must remain sealed in the interest of "national security."

The legal moves hinted that Pence may not be persuaded yet that all of the documents must remain secret, and wants a more detailed argument from the CIA.

Rewald, head of the defunct Bishop, Baldwin, Rewald, Dillingham & Wong investment firm, claimed to have an association with the CIA, but investigators have discounted his story.

When Rewald was recovering from a suicide attempt just before his company shut its doors

Aug. 1, he reportedly told company president Sunlin "Sunny" Wong that "if the CIA did not get him off the hook, he would be making a full statement to the press."

Rewald, who was charged with theft Aug. 11 and remains in state prison in lieu of \$10 million bail, has yet to make his promised full statement.

Investors and creditors so far have filed claims against the company totaling more than \$5.6 million — about half of what investigators believed was invested with the company.

Until now, Rewald's most direct public connection with the CIA was the fact that one of his consultants, John "Jack" Kindschi, was formerly in charge of the agency's office in Honolulu.

There has been speculation that the agency may have considered using some of the company's several foreign offices as cover for its own agents — a practice not unknown in the intelligence business.

The other public reference to secret government activities relating to Rewald came from another consultant, retired Pan American pilot Edwin "Ned" Avary. Avary testified in a bankruptcy court hearing that he became "part of a team to try to assist the Air Force with what you might say was a sensitive personnel problem they had."

That apparently was a reference to a 1981 effort by Avary and others associated with Rewald to get retired Gen. Hunter Harris, former Air Force commander of the Pacific, treatment for a drinking problem.

Harris, who was contacted at a Texas hospital recently, denied he is an alcoholic but says others tried to brand him one.

Harris was a friend of Rewald's and at one time planned to become one of his consultants.

The current commander of the Air Force in the Pacific, Gen. Arnold Braswell, who also considered working for Rewald and who invested more than \$100,000 with the firm, has confirmed being involved in an effort to assist Harris.

That project could have given rise to classified documents if the government feared that Harris had become a security risk because of his knowledge of secret government information and because of his health problems.

Attorney Brook Hart, who was hired as Rewald's criminal defense counsel, asked Judge Pence Aug. 7 to seal company records because they might include secret CIA documents. Hart said he saw some papers, including a letter on CIA stationery, which might support claims that there was a company link to the CIA.

Pence obliged, and CIA personnel subsequently reviewed some of the papers.

The legal activity behind closed doors in Judge Pence's chambers yesterday shed little light on the link.

U.S. Attorney Daniel Bent said in a motion filed with the court that he was reporting on the results of the review of the records, asking for further protection of the records, and asking for copies of the records so he and the CIA could refine their plea that the records be kept secret.

Pence obliged on all counts, naming agent Robert L. Heafner, the security classification officer for the FBI here, to maintain and copy the records.

Bent said the classified documents have been placed in six envelopes in the court files, labeled A through F, and including some documents delivered to the court by Hart and some found by bankruptcy trustee Thomas Hayes.

Bent said he had a CIA officer prepare an affidavit "explaining the facts relating to Ronald Rewald which give rise to the existence of classified documents and why such documents are classifiable."

The U. S. attorney gave Pence a copy of that affidavit yesterday behind closed doors.

Hawaii Report

The Honolulu Advertiser
★ Thursday, September 1, 1983 A-3